

Washington, D.C. – Today, U.S. Representative Melissa Bean (IL-8) convinced her colleagues to support an amendment sponsored by Rep. Nydia Velasquez (D-NY) to restore \$79 million in funding for the Small Business Administration's 7(a) loan program, a program crucial to helping small business obtain access to affordable capital.

"Because of my experience as a small business owner and member of the Small Business Committee," Bean said, "I appreciate how important access to affordable capital is for entrepreneurs and small business owners. Small businesses are the growth engine for our nation's economy. By reducing burdensome fees on small business owners and lenders this amendment will help create an environment that fosters job growth and economic expansion. By returning 7(a) loan fees to their previous, affordable level, this amendment will directly help small businesses and our overall economy."

Since October 2004, 7(a) loan costs have increased by up to \$3,000 while program use has dropped drastically. While it is true that the SBA is processing more 7(a) loans than ever, the loans being processed are significantly smaller.

Small businesses create up to 80 percent of the new jobs in the United States. Estimates by the House Committee on Small Business indicate that every \$33,000 in small business lending creates one new job. Reducing loan fees with a \$79 million federal investment has the potential to create 500,000 domestic jobs. Reducing rates will save businesses in the Eighth District nearly \$200,000 – money which can be invested directly in the local economy.

According to the Congressional Budget office, passage of the amendment also reduces by \$32 million the cost of the overall bill – the Science, State, Justice & Commerce Appropriations Act.

"I am proud to have fought for passage of this amendment and I commend Congress for stepping forward to demonstrate bipartisan support for the small business community," Bean said, "This amendment will go a long way toward helping small businesses obtain access to the affordable capital they need to grow their businesses and create jobs."

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